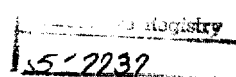


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CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: _____
AUTH: HB 70-2
DATE 1-5-80 REVIEWER: 372044

MEMORANDUM FOR THE SECRETARY OF STATE

1. In the light of existing intelligence we consider the following to be the most probable developments in the Indochina situation:

a. The USSR, Chinese Communists, and Viet Minh will make proposals which Mendes-France (boxed in as he is by his own deadline, his political maneuvering, and the critical French military situation) will accept, with perhaps a few modifications, rather than risk a continuation of the battle. The British will probably go along with him rather than actively intervene in the Indochina fighting.

b. The agreed arrangements will vary substantially from the seven-point US-UK program. Such arrangements may save French face by leaving a temporary semblance of French influence in parts of the area. However, we believe that such arrangements will not prevent Communist infiltration into and eventual control of most, if not all, of Indochina.

c. The Vietnamese government of Dien will reject the arrangements, but Bao Dai's acceptance of them will be bought by the French, and a new Vietnamese government formed which will acquiesce.

d. US rejection of or non-acquiescence in the arrangements accepted by Mendes-France will be represented by the Communists as an example of US inflexibility, lack of sympathy for nationalist aspirations in Asia, and lack of understanding of the problems of his allies but the Communist will probably go along with the arrangement, nevertheless. The fact that the Indochinese war was speedily brought to an end as soon as the US withdrew from active participation in the negotiations will probably be emphasized. This propaganda will have appreciable effect in parts of the non-Communist world.

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2. While we consider the foregoing to be the most likely general line of Communist action, it is possible that the Communists may undertake a much more dangerous policy, as follows:

a. Upon US rejection of or non-acquiescence in arrangements accepted by Mendes-France, the Communists may state that it is not worth their while to enter into an agreement not accepted by all the major powers represented at Geneva, and the US policy, together with Diem's attitude, makes any agreement impossible.

b. The Viet Minh forces will then make an all-out attack on Hanoi with the possibility that they could isolate it and turn it into another Dien Bien Phu. The French might of course succeed in evacuating from Hanoi a part of their force and some of the loyal Viet Nam civilians.

c. The Communists would so maneuver as to place the blame upon the United States for this situation and this would be widely accepted in France and to some extent in England.

3. Our analysis of the situation in Hanoi is that the Viet Minh forces could probably take the city which is on the south side of the Red River and highly vulnerable, within a few weeks, or on the alternative they could shortly cut off the rail line from Hanoi to Haiphong. Even assuming that Mendes-France rejected the Communist proposals and fought on it is unlikely that the French Union forces could hold Hanoi until conscript reinforcements arrive next September or later, unless American air and naval forces were thrown into the battle.

ALLEN W. DULLES
Director

cc. Sherman Kent

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